



**MADISON COUNTY, MISSOURI
TWO YEARS ENDED DECEMBER 31, 2000**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2001-60
August 3, 2001
www.auditor.state.mo.us**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

August 2001

www.auditor.state.mo.us

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Madison, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Madison County was a financial and compliance audit of various county operating funds. The following concerns were noted:

- The county's General Revenue Fund is in poor financial condition. The county's debt appears to violate the intent of the Missouri Constitution on legal indebtedness absent a vote of the county residents. The county's General Revenue Fund has tax anticipation notes payable and other debt totaling \$294,180 and \$224,958 at December 31, 2000 and 1999, respectively. The General Revenue Fund debt has continued to increase yearly as the county has been renewing or consolidating the tax anticipation notes.

In addition, the county's Special Road and Bridge Fund has lease purchase agreements and other bank loans totaling \$200,125 and \$181,231 at December 31, 2000 and 1999, respectively. The debt for the Special Road and Bridge Fund continues to increase yearly as the county continues to buy equipment. The debt balances significantly exceeded the income and revenue less expenditures budgeted for other purposes plus any unencumbered balances from previous years.

In April 2001, Madison County passed a one half cent law enforcement sales tax. The County Commission indicated that this sales tax will enable the county to pay off the General Revenue Fund debt in the next two to three years. The County Commission indicated the Special Road and Bridge Fund debt should also be repaid in the next two to three years because no additional purchases of equipment are planned.

(over)

YELLOW SHEET

- The county has not sufficiently reduced its property tax revenues by 50 percent of sales tax revenues as provided in the ballot issue passed by the Madison County voters under state law. The county calculated a sales tax rollback but did not rollback the property tax levy due to the county's poor financial condition. The county needs to roll back the property tax levy to adjust for the \$49,268 excess property taxes collected in prior years.
- A state law, Section 50.333.13, RSMo, enacted in 1997, allowed salary commissions meeting in 1997 to provide mid-term salary increases for associate county commissioners elected in 1996 due to the fact that their terms were increased from two years to four. Based on this law, in 1999 Madison County's Associate County Commissioners salaries were each increased approximately \$4,624 yearly.

On May 15, 2001, the Missouri Supreme Court handed down an opinion that holds that all raises given pursuant to this statute section are unconstitutional. Based on the Supreme Court decision, the raises given to each of the Associate County Commissioners, totaling approximately \$9,248 for the two years ended December 31, 2000, should be repaid.

- Although noted in several prior audits, the Collector is still not performing statutory duties which would aid the county's financial condition. Although the Collector arbitrarily withheld \$13,500 from one school district, he has not computed the amount of Proposition C commissions that should have been withheld from the school districts since 1988.
- Warrants were issued in excess of approved budgeted expenditures for several funds during the two years ended December 31, 2000.

The audit also includes some matters related to federal grant records and procedures, published financial statements, county expenditures, bank accounts and accounting records, vehicle records, assessment fund, property tax system and computer controls, and personnel policies and procedures, upon which the county should consider and take appropriate corrective action. In addition, the audit recommended improvements in the budgetary practices of the Health Department.

Copies of the audit are available upon request.

MADISON COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS

To the County Commission
and
Officeholders of Madison County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Madison County, Missouri, as of and for the years ended December 31, 2000 and 1999, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Madison County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Madison County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Madison County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2000 and 1999, in conformity with the comprehensive basis of accounting discussed in Note 1,

which is a basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 11, 2001, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.



Claire McCaskill
State Auditor

May 11, 2001 (fieldwork completion date)

The following auditors participated in the preparation of this report:

| | |
|---------------------|--------------------------------------|
| Director of Audits: | Thomas J. Kremer, CPA |
| Audit Manager: | Jeannette Eaves, CPA |
| In-Charge Auditor: | Randy Gordon, CPA |
| Audit Staff: | Reneé C. Alvarez Scott L. Fontana |



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Madison County, Missouri

We have audited the special-purpose financial statements of various funds of Madison County, Missouri, as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 11, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Madison County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 00-1 through 00-3. We also noted certain immaterial instances of noncompliance, which we have reported to the management of the county in the accompanying Letter on Other Matters.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Madison County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not

necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of the county in the accompanying Letter on Other Matters.

This report is intended for the information of the management of Madison County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.



Claire McCaskill
State Auditor

May 11, 2001 (fieldwork completion date)

Financial Statements

Exhibit A-1

MADISON COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2000

| Fund | Cash, January 1 | Receipts | Disbursements | Cash, December 31 |
|-------------------------------------|--------------------|-----------|---------------|----------------------|
| General Revenue | \$ 24,851 | 1,177,622 | 1,187,158 | 15,315 |
| Special Road and Bridge | 838 | 704,033 | 684,599 | 20,272 |
| Assessment | 1,111 | 144,231 | 143,996 | 1,346 |
| Law Enforcement Training | 17,622 | 7,961 | 5,652 | 19,931 |
| Prosecuting Attorney Training | 2,142 | 1,373 | 1,796 | 1,719 |
| 911 | 29,808 | 117,533 | 135,729 | 11,612 |
| Prosecuting Attorney Bad Check | 846 | 6,686 | 2,421 | 5,111 |
| Special Law Enforcement | 4,150 | 1,968 | 679 | 5,439 |
| Domestic Violence | 8,617 | 1,752 | 3,314 | 7,055 |
| Recorder's User Fees | 5,389 | 5,353 | 1,122 | 9,620 |
| Capital Improvement | 19,516 | 58,247 | 51,473 | 26,290 |
| Health Center | 104,858 | 356,137 | 384,507 | 76,488 |
| Forfeiture | 1,289 | 8,168 | 235 | 9,222 |
| Circuit Clerk Interest | 5,081 | 1,351 | 5,000 | 1,432 |
| Associate Circuit Division Interest | 239 | 1,641 | 1,079 | 801 |
| Flood Buy-Out | 3,381 | 183,577 | 181,158 | 5,800 |
| Whitewater Olympic Kayak Trials | 0 | 50,000 | 50,000 | 0 |
| Total | \$ 229,738 | 2,827,633 | 2,839,918 | 217,453 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

MADISON COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 1999

| Fund | Cash, January 1 | Receipts | Disbursements | Cash, December 31 |
|-------------------------------------|--------------------|-----------|---------------|----------------------|
| General Revenue | \$ 16,493 | 1,100,694 | 1,092,336 | 24,851 |
| Special Road and Bridge | 50,618 | 633,097 | 682,877 | 838 |
| Assessment | 9,403 | 102,072 | 110,364 | 1,111 |
| Law Enforcement Training | 13,184 | 9,093 | 4,655 | 17,622 |
| Prosecuting Attorney Training | 1,752 | 1,513 | 1,123 | 2,142 |
| 911 | 21,225 | 119,365 | 110,782 | 29,808 |
| Prosecuting Attorney Bad Check | 826 | 4,060 | 4,040 | 846 |
| Special Law Enforcement | 1,304 | 4,025 | 1,179 | 4,150 |
| Domestic Violence | 6,123 | 2,494 | 0 | 8,617 |
| Recorder's User Fees | 2,859 | 5,867 | 3,337 | 5,389 |
| Capital Improvement | 16,660 | 482,504 | 479,648 | 19,516 |
| Health Center | 113,484 | 275,239 | 283,865 | 104,858 |
| Forfeiture | 1,639 | 24 | 374 | 1,289 |
| Circuit Clerk Interest | 2,562 | 12,973 | 10,454 | 5,081 |
| Associate Circuit Division Interest | 22 | 878 | 661 | 239 |
| Flood Buy-Out | 0 | 89,848 | 86,467 | 3,381 |
| Total | \$ 258,154 | 2,843,746 | 2,872,162 | 229,738 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

MADISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

| | Year Ended December 31, | | | | | |
|-------------------------------------|-------------------------|-----------|----------------------------------|-----------|-----------|----------------------------------|
| | 2000 | | | 1999 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| TOTALS - VARIOUS FUNDS | | | | | | |
| RECEIPTS | \$ 2,638,424 | 2,777,633 | 139,209 | 2,564,054 | 2,740,023 | 175,969 |
| DISBURSEMENTS | 2,656,883 | 2,789,918 | (133,035) | 2,593,594 | 2,774,206 | (180,612) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (18,459) | (12,285) | 6,174 | (29,540) | (34,183) | (4,643) |
| CASH, JANUARY 1 | 134,577 | 229,738 | 95,161 | 163,484 | 253,931 | 90,447 |
| CASH, DECEMBER 31 | 116,118 | 217,453 | 101,335 | 133,944 | 219,748 | 85,804 |
| GENERAL REVENUE FUND | | | | | | |
| RECEIPTS | | | | | | |
| Property taxes | 160,500 | 157,459 | (3,041) | 185,773 | 143,312 | (42,461) |
| Sales taxes | 370,441 | 375,676 | 5,235 | 341,000 | 357,756 | 16,756 |
| Intergovernmental | 208,464 | 145,568 | (62,896) | 201,247 | 152,216 | (49,031) |
| Charges for services | 363,775 | 251,024 | (112,751) | 334,000 | 260,220 | (73,780) |
| Interest | 1,500 | 1,466 | (34) | 1,350 | 1,334 | (16) |
| Other | 39,316 | 35,729 | (3,587) | 53,295 | 35,848 | (17,447) |
| Loan proceeds | 0 | 124,860 | 124,860 | 0 | 90,000 | 90,000 |
| Transfers in | 70,584 | 85,840 | 15,256 | 22,914 | 60,008 | 37,094 |
| Total Receipts | 1,214,580 | 1,177,622 | (36,958) | 1,139,579 | 1,100,694 | (38,885) |
| DISBURSEMENTS | | | | | | |
| County Commission | 63,322 | 64,001 | (679) | 63,072 | 63,300 | (228) |
| County Clerk | 73,570 | 71,316 | 2,254 | 63,181 | 63,730 | (549) |
| Elections | 67,976 | 64,047 | 3,929 | 24,439 | 27,249 | (2,810) |
| Buildings and grounds | 61,088 | 68,306 | (7,218) | 53,600 | 62,906 | (9,306) |
| Employee fringe benefits | 141,400 | 120,516 | 20,884 | 108,300 | 123,930 | (15,630) |
| County Treasurer | 23,944 | 23,007 | 937 | 24,429 | 23,486 | 943 |
| County Collector | 63,288 | 63,543 | (255) | 58,858 | 57,247 | 1,611 |
| Circuit Clerk | 43,056 | 41,949 | 1,107 | 23,647 | 25,457 | (1,810) |
| Associate Circuit Court | 10,400 | 8,035 | 2,365 | 11,444 | 10,600 | 844 |
| Court administration | 1,935 | 1,935 | 0 | 7,309 | 5,370 | 1,939 |
| Public Administrator | 6,921 | 8,119 | (1,198) | 6,831 | 6,784 | 47 |
| Sheriff | 228,577 | 218,635 | 9,942 | 208,730 | 209,504 | (774) |
| Jail | 76,500 | 75,996 | 504 | 95,300 | 83,376 | 11,924 |
| Prosecuting Attorney | 63,768 | 61,244 | 2,524 | 63,093 | 63,228 | (135) |
| Juvenile Officer | 66,622 | 11,096 | 55,526 | 59,753 | 44,008 | 15,745 |
| County Coroner | 7,825 | 8,825 | (1,000) | 12,425 | 9,440 | 2,985 |
| Dispatchers | 70,000 | 73,816 | (3,816) | 70,382 | 73,096 | (2,714) |
| Debt service | 50,152 | 70,849 | (20,697) | 80,652 | 36,392 | 44,260 |
| Other | 66,224 | 104,496 | (38,272) | 64,425 | 64,698 | (273) |
| Transfers out | 45,725 | 27,427 | 18,298 | 47,394 | 38,535 | 8,859 |
| Total Disbursements | 1,232,293 | 1,187,158 | 45,135 | 1,147,264 | 1,092,336 | 54,928 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (17,713) | (9,536) | 8,177 | (7,685) | 8,358 | 16,043 |
| CASH, JANUARY 1 | 24,851 | 24,851 | 0 | 16,493 | 16,493 | 0 |
| CASH, DECEMBER 31 | 7,138 | 15,315 | 8,177 | 8,808 | 24,851 | 16,043 |

MADISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

| | Year Ended December 31, | | | | | |
|--|-------------------------|----------------|----------------------------------|----------------|-----------------|----------------------------------|
| | 2000 | | | 1999 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>SPECIAL ROAD AND BRIDGE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Property taxes | 209,750 | 213,249 | 3,499 | 174,663 | 202,892 | 28,229 |
| Intergovernmental | 398,550 | 431,128 | 32,578 | 352,466 | 379,521 | 27,055 |
| Charges for services | 12,500 | 15,337 | 2,837 | 7,000 | 6,975 | (25) |
| Interest | 2,000 | 1,799 | (201) | 1,500 | 1,882 | 382 |
| Other | 17,000 | 28,020 | 11,020 | 12,500 | 11,827 | (673) |
| Loan proceeds | 65,000 | 14,500 | (50,500) | 19,000 | 30,000 | 11,000 |
| Total Receipts | 704,800 | 704,033 | (767) | 567,129 | 633,097 | 65,968 |
| DISBURSEMENTS | | | | | | |
| Salaries | 175,000 | 175,151 | (151) | 170,270 | 179,056 | (8,786) |
| Employee fringe benefits | 45,400 | 38,534 | 6,866 | 37,626 | 42,236 | (4,610) |
| Supplies | 100,300 | 84,377 | 15,923 | 85,000 | 135,579 | (50,579) |
| Insurance | 12,000 | 11,946 | 54 | 10,000 | 11,882 | (1,882) |
| Road and bridge materials | 72,000 | 127,965 | (55,965) | 90,000 | 111,186 | (21,186) |
| Equipment repairs | 5,000 | 5,594 | (594) | 10,000 | 0 | 10,000 |
| Rentals | 0 | 2,068 | (2,068) | 0 | 0 | 0 |
| Equipment purchases | 115,106 | 96,859 | 18,247 | 66,022 | 90,046 | (24,024) |
| Construction, repair, and maintenance | 75,000 | 120,883 | (45,883) | 45,000 | 62,634 | (17,634) |
| Debt service | 60,000 | 0 | 60,000 | 0 | 0 | 0 |
| Other | 24,600 | 21,222 | 3,378 | 25,200 | 33,556 | (8,356) |
| Transfers out | 19,320 | 0 | 19,320 | 17,614 | 16,702 | 912 |
| Total Disbursements | 703,726 | 684,599 | 19,127 | 556,732 | 682,877 | (126,145) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 1,074 | 19,434 | 18,360 | 10,397 | (49,780) | (60,177) |
| CASH, JANUARY 1 | 838 | 838 | 0 | 51,215 | 50,618 | (597) |
| CASH, DECEMBER 31 | 1,912 | 20,272 | 18,360 | 61,612 | 838 | (60,774) |
| | | | | | | |
| <u>ASSESSMENT FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 76,916 | 113,100 | 36,184 | 84,791 | 59,063 | (25,728) |
| Interest | 150 | 200 | 50 | 250 | 143 | (107) |
| Other | 1,350 | 3,504 | 2,154 | 3,500 | 4,331 | 831 |
| Transfers in | 40,724 | 27,427 | (13,297) | 28,394 | 38,535 | 10,141 |
| Total Receipts | 119,140 | 144,231 | 25,091 | 116,935 | 102,072 | (14,863) |
| DISBURSEMENTS | | | | | | |
| Assessor | 118,140 | 105,741 | 12,399 | 109,930 | 99,958 | 9,972 |
| Transfers out | 0 | 38,255 | (38,255) | 0 | 10,406 | (10,406) |
| Total Disbursements | 118,140 | 143,996 | (25,856) | 109,930 | 110,364 | (434) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 1,000 | 235 | (765) | 7,005 | (8,292) | (15,297) |
| CASH, JANUARY 1 | 1,111 | 1,111 | 0 | 9,403 | 9,403 | 0 |
| CASH, DECEMBER 31 | 2,111 | 1,346 | (765) | 16,408 | 1,111 | (15,297) |

Exhibit B

MADISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

| | Year Ended December 31, | | | | | |
|--|-------------------------|----------|----------------------------------|----------|---------|----------------------------------|
| | 2000 | | | 1999 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>LAW ENFORCEMENT TRAINING FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 0 | 2,280 | 2,280 | 0 | 2,844 | 2,844 |
| Charges for services | 9,000 | 5,308 | (3,692) | 7,500 | 5,882 | (1,618) |
| Interest | 300 | 373 | 73 | 230 | 282 | 52 |
| Other | 0 | 0 | 0 | 0 | 85 | 85 |
| Total Receipts | 9,300 | 7,961 | (1,339) | 7,730 | 9,093 | 1,363 |
| DISBURSEMENTS | | | | | | |
| Sheriff | 5,000 | 5,652 | (652) | 4,000 | 4,655 | (655) |
| Total Disbursements | 5,000 | 5,652 | (652) | 4,000 | 4,655 | (655) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 4,300 | 2,309 | (1,991) | 3,730 | 4,438 | 708 |
| CASH, JANUARY 1 | 17,622 | 17,622 | 0 | 13,184 | 13,184 | 0 |
| CASH, DECEMBER 31 | 21,922 | 19,931 | (1,991) | 16,914 | 17,622 | 708 |
| <u>PROSECUTING ATTORNEY TRAINING FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | 1,500 | 1,327 | (173) | 1,331 | 1,471 | 140 |
| Interest | 45 | 46 | 1 | 50 | 42 | (8) |
| Total Receipts | 1,545 | 1,373 | (172) | 1,381 | 1,513 | 132 |
| DISBURSEMENTS | | | | | | |
| Prosecuting Attorney | 2,000 | 1,796 | 204 | 2,500 | 1,123 | 1,377 |
| Total Disbursements | 2,000 | 1,796 | 204 | 2,500 | 1,123 | 1,377 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (455) | (423) | 32 | (1,119) | 390 | 1,509 |
| CASH, JANUARY 1 | 2,142 | 2,142 | 0 | 1,752 | 1,752 | 0 |
| CASH, DECEMBER 31 | 1,687 | 1,719 | 32 | 633 | 2,142 | 1,509 |
| <u>911 FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | 110,000 | 116,898 | 6,898 | 80,000 | 118,472 | 38,472 |
| Interest | 600 | 635 | 35 | 400 | 592 | 192 |
| Other | 0 | 0 | 0 | 0 | 301 | 301 |
| Total Receipts | 110,600 | 117,533 | 6,933 | 80,400 | 119,365 | 38,965 |
| DISBURSEMENTS | | | | | | |
| Salaries | 26,005 | 23,987 | 2,018 | 23,217 | 24,594 | (1,377) |
| Office expenditures | 7,329 | 10,055 | (2,726) | 4,850 | 6,643 | (1,793) |
| Equipment | 57,948 | 58,637 | (689) | 53,401 | 54,784 | (1,383) |
| Mileage and training | 1,000 | 465 | 535 | 1,300 | 1,861 | (561) |
| Other | 2,000 | 0 | 2,000 | 1,000 | 0 | 1,000 |
| Transfers out | 20,000 | 42,585 | (22,585) | 17,508 | 22,900 | (5,392) |
| Total Disbursements | 114,282 | 135,729 | (21,447) | 101,276 | 110,782 | (9,506) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (3,682) | (18,196) | (14,514) | (20,876) | 8,583 | 29,459 |
| CASH, JANUARY 1 | 29,808 | 29,808 | 0 | 21,225 | 21,225 | 0 |
| CASH, DECEMBER 31 | 26,126 | 11,612 | (14,514) | 349 | 29,808 | 29,459 |

Exhibit B

MADISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

| | Year Ended December 31, | | | | | |
|---|-------------------------|---------|--|--------|--------|--|
| | 2000 | | | 1999 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>PROSECUTING ATTORNEY BAD CHECK FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | 0 | 6,671 | 6,671 | 0 | 4,060 | 4,060 |
| Interest | 0 | 15 | 15 | | | 0 |
| Total Receipts | 0 | 6,686 | 6,686 | 0 | 4,060 | 4,060 |
| DISBURSEMENTS | | | | | | |
| Office expenditures | 0 | 2,421 | (2,421) | 0 | 4,040 | (4,040) |
| Total Disbursements | 0 | 2,421 | (2,421) | 0 | 4,040 | (4,040) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 0 | 4,265 | 4,265 | 0 | 20 | 20 |
| CASH, JANUARY 1 | 439 | 846 | 407 | 439 | 826 | 387 |
| CASH, DECEMBER 31 | 439 | 5,111 | 4,672 | 439 | 846 | 407 |
| <u>SPECIAL LAW ENFORCEMENT FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | 1,500 | 1,873 | 373 | 4,000 | 3,964 | (36) |
| Interest | 50 | 95 | 45 | 15 | 61 | 46 |
| Total Receipts | 1,550 | 1,968 | 418 | 4,015 | 4,025 | 10 |
| DISBURSEMENTS | | | | | | |
| Equipment | 2,000 | 0 | 2,000 | 4,000 | 1,179 | 2,821 |
| Office expenditures | 0 | 679 | (679) | 0 | 0 | 0 |
| Total Disbursements | 2,000 | 679 | 1,321 | 4,000 | 1,179 | 2,821 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (450) | 1,289 | 1,739 | 15 | 2,846 | 2,831 |
| CASH, JANUARY 1 | 4,150 | 4,150 | 0 | 1,304 | 1,304 | 0 |
| CASH, DECEMBER 31 | 3,700 | 5,439 | 1,739 | 1,319 | 4,150 | 2,831 |
| <u>DOMESTIC VIOLENCE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | 2,350 | 1,616 | (734) | 2,400 | 2,346 | (54) |
| Interest | 150 | 136 | (14) | 165 | 148 | (17) |
| Total Receipts | 2,500 | 1,752 | (748) | 2,565 | 2,494 | (71) |
| DISBURSEMENTS | | | | | | |
| Domestic Violence Shelter | 3,500 | 3,314 | 186 | 2,500 | 0 | 2,500 |
| Mileage | 50 | 0 | 50 | 50 | 0 | 50 |
| Postage | 10 | 0 | 10 | 0 | 0 | 0 |
| Total Disbursements | 3,560 | 3,314 | 246 | 2,550 | 0 | 2,550 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (1,060) | (1,562) | (502) | 15 | 2,494 | 2,479 |
| CASH, JANUARY 1 | 8,617 | 8,617 | 0 | 6,123 | 6,123 | 0 |
| CASH, DECEMBER 31 | 7,557 | 7,055 | (502) | 6,138 | 8,617 | 2,479 |

Exhibit B

MADISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

| | Year Ended December 31, | | | | | |
|---|-------------------------|----------|----------------------------------|----------|---------|----------------------------------|
| | 2000 | | | 1999 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>RECORDER'S USER FEES FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | 5,850 | 5,204 | (646) | 5,600 | 5,822 | 222 |
| Interest | 0 | 149 | 149 | 100 | 45 | (55) |
| Total Receipts | 5,850 | 5,353 | (497) | 5,700 | 5,867 | 167 |
| DISBURSEMENTS | | | | | | |
| Ex Officio Recorder of Deeds | 3,500 | 1,122 | 2,378 | 3,901 | 3,337 | 564 |
| Total Disbursements | 3,500 | 1,122 | 2,378 | 3,901 | 3,337 | 564 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 2,350 | 4,231 | 1,881 | 1,799 | 2,530 | 731 |
| CASH, JANUARY 1 | 5,389 | 5,389 | 0 | 2,859 | 2,859 | 0 |
| CASH, DECEMBER 31 | 7,739 | 9,620 | 1,881 | 4,658 | 5,389 | 731 |
| <u>CAPITAL IMPROVEMENT FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Sales tax | 0 | 3,210 | 3,210 | 286,000 | 346,972 | 60,972 |
| Charges for services | 40,000 | 54,684 | 14,684 | 46,640 | 32,655 | (13,985) |
| Interest | 0 | 218 | 218 | 3,000 | 2,877 | (123) |
| Loan proceeds | 0 | 0 | 0 | 27,000 | 100,000 | 73,000 |
| Other | 0 | 135 | 135 | 0 | 0 | 0 |
| Total Receipts | 40,000 | 58,247 | 18,247 | 362,640 | 482,504 | 119,864 |
| DISBURSEMENTS | | | | | | |
| Debt Service | 40,000 | 51,473 | (11,473) | 379,300 | 479,648 | (100,348) |
| Total Disbursements | 40,000 | 51,473 | (11,473) | 379,300 | 479,648 | (100,348) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 0 | 6,774 | 6,774 | (16,660) | 2,856 | 19,516 |
| CASH, JANUARY 1 | 19,516 | 19,516 | 0 | 16,660 | 16,660 | 0 |
| CASH, DECEMBER 31 | 19,516 | 26,290 | 6,774 | 0 | 19,516 | 19,516 |
| <u>HEALTH CENTER FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Property Taxes | 70,682 | 75,126 | 4,444 | 68,000 | 73,562 | 5,562 |
| Intergovernmental | 247,189 | 241,489 | (5,700) | 179,299 | 170,139 | (9,160) |
| Charges for services | 1,130 | 888 | (242) | 1,152 | 1,152 | 0 |
| Interest | 950 | 5,958 | 5,008 | 1,041 | 5,116 | 4,075 |
| Other | 33,010 | 32,676 | (334) | 26,488 | 25,270 | (1,218) |
| Transfers in | 73,155 | 0 | (73,155) | 0 | 0 | 0 |
| Total Receipts | 426,116 | 356,137 | (69,979) | 275,980 | 275,239 | (741) |
| DISBURSEMENTS | | | | | | |
| Salaries | 278,064 | 278,867 | (803) | 229,183 | 228,765 | 418 |
| Office expenditures | 50,265 | 52,419 | (2,154) | 17,732 | 17,915 | (183) |
| Equipment | 8,800 | 8,384 | 416 | 10,286 | 10,284 | 2 |
| Mileage and training | 9,000 | 9,721 | (721) | 6,205 | 6,168 | 37 |
| Building | 26,887 | 1,498 | 25,389 | 2,073 | 2,152 | (79) |
| Insurance | 2,405 | 3,020 | (615) | 2,404 | 2,403 | 1 |
| Utilities | 8,950 | 8,691 | 259 | 7,075 | 7,080 | (5) |
| Contract services | 15,590 | 14,353 | 1,237 | 6,801 | 7,705 | (904) |
| Other | 26,155 | 7,554 | 18,601 | 382 | 1,393 | (1,011) |
| Total Disbursements | 426,116 | 384,507 | 41,609 | 282,141 | 283,865 | (1,724) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 0 | (28,370) | (28,370) | (6,161) | (8,626) | (2,465) |
| CASH, JANUARY 1 | 10,139 | 104,858 | 94,719 | 22,827 | 113,484 | 90,657 |
| CASH, DECEMBER 31 | 10,139 | 76,488 | 66,349 | 16,666 | 104,858 | 88,192 |

Exhibit B

MADISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

| | Year Ended December 31, | | | | | |
|--|-------------------------|---------|--|--------|--------|--|
| | 2000 | | | 1999 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>FORFEITURE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 0 | 8,049 | 8,049 | | | |
| Interest | 25 | 119 | 94 | | | |
| Total Receipts | 25 | 8,168 | 8,143 | | | |
| DISBURSEMENTS | | | | | | |
| Office expenditures | 350 | 235 | 115 | | | |
| Total Disbursements | 350 | 235 | 115 | | | |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (325) | 7,933 | 8,258 | | | |
| CASH, JANUARY 1 | 1,289 | 1,289 | 0 | | | |
| CASH, DECEMBER 31 | 964 | 9,222 | 8,258 | | | |
| <u>CIRCUIT CLERK INTEREST FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Interest | 1,750 | 1,351 | (399) | | | |
| Total Receipts | 1,750 | 1,351 | (399) | | | |
| DISBURSEMENTS | | | | | | |
| Office expenditures | 250 | 0 | 250 | | | |
| Transfers out | 5,000 | 5,000 | 0 | | | |
| Total Disbursements | 5,250 | 5,000 | 250 | | | |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (3,500) | (3,649) | (149) | | | |
| CASH, JANUARY 1 | 5,046 | 5,081 | 35 | | | |
| CASH, DECEMBER 31 | 1,546 | 1,432 | (114) | | | |
| <u>ASSOCIATE CIRCUIT DIVISION INTEREST FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Interest | 668 | 1,641 | 973 | | | |
| Total Receipts | 668 | 1,641 | 973 | | | |
| DISBURSEMENTS | | | | | | |
| Equipment | 400 | 789 | (389) | | | |
| Office expenditures | 266 | 290 | (24) | | | |
| Total Disbursements | 666 | 1,079 | (413) | | | |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 2 | 562 | 560 | | | |
| CASH, JANUARY 1 | 239 | 239 | 0 | | | |
| CASH, DECEMBER 31 | 241 | 801 | 560 | | | |

Exhibit B

MADISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

| | Year Ended December 31, | | | | | |
|-------------------------------------|-------------------------|---------|--|--------|--------|--|
| | 2000 | | | 1999 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>FLOOD BUY-OUT FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 0 | 183,577 | 183,577 | | | |
| Total Receipts | 0 | 183,577 | 183,577 | | | |
| DISBURSEMENTS | | | | | | |
| Flood Buy-outs | 0 | 181,158 | (181,158) | | | |
| Total Disbursements | 0 | 181,158 | (181,158) | | | |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 0 | 2,419 | 2,419 | | | |
| CASH, JANUARY 1 | 3,381 | 3,381 | 0 | | | |
| CASH, DECEMBER 31 | \$ 3,381 | 5,800 | 2,419 | | | |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

MADISON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Madison County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Health Center Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

| <u>Fund</u> | <u>Years Ended December 31,</u> |
|--|---------------------------------|
| Whitewater Olympic Kayak Trials Fund | 2000 |
| Forfeiture Fund | 1999 |
| Circuit Clerk Interest Fund | 1999 |
| Associate Circuit Division Interest Fund | 1999 |
| Flood Buy-Out Fund | 1999 |

Warrants issued were in excess of budgeted amounts for the following funds:

| <u>Fund</u> | <u>Years Ended December 31,</u> |
|--|---------------------------------|
| Assessment Fund | 2000 and 1999 |
| Law Enforcement Training Fund | 2000 and 1999 |
| 911 Fund | 2000 and 1999 |
| Prosecuting Attorney Bad Check Fund | 2000 and 1999 |
| Capital Improvement Fund | 2000 and 1999 |
| Associate Circuit Division Interest Fund | 2000 |
| Flood Buy-Out Fund | 2000 |
| Special Road and Bridge Fund | 1999 |
| Health Center Fund | 1999 |

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. The county's published financial statements for the years ended December 31, 2000 and 1999, included all funds presented in the accompanying financial statements.

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's and the Health Center Board's deposits at December 31, 2000 and 1999, were entirely covered by federal depository insurance or by collateral securities held by the county's or board's custodial bank in the county's or board's name.

3. Property Taxes

Through December 31, 2000, Madison County collected \$49,268 in excess property taxes. Section 67.505, RSMo 2000, requires the county to reduce property taxes for a percentage of sales taxes collected. Madison County voters enacted a half cent sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. Tax levies were not reduced sufficiently for actual sales tax collections.

4. Subsequent Event

In April 2001, the voters of Madison County approved a half cent sales tax for law enforcement services. The tax increase will be effective October 1, 2001.

Supplementary Schedule

Schedule

MADISON COUNTY, MISSOURI
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

| Federal CFDA Number | Federal Grantor/Pass-Through Grantor/Program Title | Pass-Through Entity Identifying Number | Federal Expenditures | |
|--|---|---|-------------------------|---------------|
| | | | Year Ended December 31, | |
| | | | 2000 | 1999 |
| U. S. DEPARTMENT OF AGRICULTURE | | | | |
| Passed through state: | | | | |
| Department of Health - | | | | |
| 10.557 | Special Supplemental Nutrition Program for Women, Infants, and Children | ER0045-0162 | 46,931 | 0 |
| | | ER0045-9162 | 0 | 50,511 |
| | Program Total | | <u>46,931</u> | <u>50,511</u> |
| Office of Administration - | | | | |
| 10.665 | Schools and Roads - Grants to States | N/A | 72,816 | 76,879 |
| U.S. DEPARTMENT OF JUSTICE | | | | |
| Direct program: | | | | |
| 16.unknown | Equitable Sharing of Seized and Forfeited Property | N/A | 235 | 0 |
| Passed through: | | | | |
| Missouri Sheriffs' Association - | | | | |
| 16.unknown | Domestic Cannabis Eradication/Suppression Program | N/A | 1,680 | 1,056 |
| U. S. DEPARTMENT OF TRANSPORTATION | | | | |
| Passed through state Highway and Transportation Commission: | | | | |
| 20.205 | Highway Planning and Construction | BRO-062 (5) | 0 | 49,767 |
| | | BRO-062 (6) | 120,883 | 12,867 |
| | Program Total | | <u>120,883</u> | <u>62,634</u> |
| 20.703 | Interagency Hazardous Materials Public Sector Training and Planning Grants | N/A | 1,210 | 0 |
| FEDERAL EMERGENCY MANAGEMENT AGENCY | | | | |
| Passed through state Department of Public Safety: | | | | |
| 83.548 | Hazard Mitigation Grant | FEMA-1270-DR-MO | 28,147 | 77,911 |
| 83.unknown | Unmet Needs | FEMA-1270-DR-MO | 121,004 | 0 |

Schedule

MADISON COUNTY, MISSOURI
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

| Federal CFDA Number | Federal Grantor/Pass-Through Grantor/Program Title | Pass-Through Entity Identifying Number | Federal Expenditures | |
|---|---|--|--|---|
| | | | Year Ended December 31, | |
| | | | 2000 | 1999 |
| U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | |
| Passed through state: | | | | |
| Department of Health - | | | | |
| 93.161 | Health Program for Toxic Substances and Disease Registry | AOC00380358 | 53,961 | 0 |
| 93.197 | Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children | ERS146-1162L ERO146-0162CLPP | 45 0 | 0 267 |
| | Program Total | | <u>45</u> | <u>267</u> |
| 93.268 | Immunization Grants | PG0064-1062IAP PG0064-9162IAP N/A | 2,999 0 36,332 | 0 2,270 34,152 |
| | Program Total | | <u>39,331</u> | <u>36,422</u> |
| Department of Social Services - | | | | |
| 93.563 | Child Support Enforcement | N/A | 935 | 2,996 |
| Department of Health - | | | | |
| 93.575 | Child Care and Development Block Grant | PGA067-1162C PGA067-0162C | 4,255 0 | 0 1,920 |
| | Program Total | | <u>4,255</u> | <u>1,920</u> |
| 93.991 | Preventive Health and Health Services Block Grant | N/A | 433 | 407 |
| 93.994 | Maternal and Child Health Services Block Grant to the States | ERS146-1162M ERS146-0162M AOC01380103 C1000015043 C1000005043 N/A | 15,642 0 24,867 2,976 0 2,163 | 0 19,212 0 0 4,570 2,033 |
| | Program Total | | <u>45,648</u> | <u>25,815</u> |
| | Total Expenditures of Federal Awards | | <u>\$ 537,514</u> | <u>336,818</u> |

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

Notes to the Supplementary Schedule

MADISON COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Madison County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Of the amounts for Immunization Grants (CFDA number 93.268), \$36,332 and \$34,152 represent the original acquisition cost of vaccines purchased by the Centers for Disease Control of the U.S. Department of Health and Human Services but distributed to the Health Center through the state Department of Health during the

years ended December 31, 2000 and 1999. The amounts for the Preventive Health and Health Services Block Grant (CFDA number 93.991) represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 2000 and 1999. Of the amounts for the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994), \$2,163 and \$2,033 also represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 2000 and 1999. The remaining pass-through amounts for Immunization Grants and the Maternal and Child Health Services Block Grant to the States represent cash disbursements.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2000 and 1999.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and
Officeholders of Madison County, Missouri

Compliance

We have audited the compliance of Madison County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2000 and 1999. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Madison County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2000 and 1999. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 00-4 and 00-5.

Internal Control Over Compliance

The management of Madison County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 00-4 and 00-5.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above are material weaknesses.

This report is intended for the information of the management of Madison County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.



Claire McCaskill
State Auditor

May 11, 2001 (fieldwork completion date)

Schedule

MADISON COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
 YEARS ENDED DECEMBER 31, 2000 AND 1999

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? yes x no

Reportable conditions identified that are not considered to be material weaknesses? yes x none reported

Noncompliance material to the financial statements noted? x yes no

Federal Awards

Internal control over major programs:

Material weaknesses identified? yes x no

Reportable conditions identified that are not considered to be material weaknesses? x yes none reported

Type of auditor's report issued on compliance for major program(s): Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? x yes no

Identification of major program(s):

| <u>CFDA or Other Identifying Number</u> | <u>Program Title</u> |
|---|--------------------------------------|
| 10.665 | Schools and Roads - Grants to States |
| 20.205 | Highway Planning and Construction |
| 83.548 | Hazard Mitigation Grant |
| 83.unknown | Unmet Needs |

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as a low-risk auditee?

_____ yes x no

Section II - Financial Statement Findings

This section includes the audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

00-1.

Indebtedness

The county's General Revenue Fund has tax anticipation notes payable and other debt totaling \$294,180 and \$224,958 at December 31, 2000 and 1999, respectively. The General Revenue Fund debt has continued to increase yearly as the county has been renewing or consolidating the tax anticipation notes. In addition, the county's Special Road and Bridge Fund has lease purchase agreements and other bank loans totaling \$200,125 and \$181,231 at December 31, 2000 and 1999, respectively. The debt for the Special Road and Bridge Fund continues to increase yearly as the county continues to buy equipment. The debt balances of the General Revenue Fund and the Special Road and Bridge Fund significantly exceeded the income and revenue less expenditures budgeted for other purposes plus any unencumbered balances from previous years.

Although the General Revenue Fund debt was almost \$300,000 at December 31, 2000, the county budgeted to repay only approximately \$52,000 during 2001. Likewise, the Special Road and Bridge Fund debt exceeded \$200,000 at December 31, 2000 and the county budgeted to repay approximately \$55,000 during 2001.

The county's debt appears to violate the intent of the Missouri Constitution on legal indebtedness absent a vote of the county residents. Article VI, Section 26(a) of the Missouri Constitution states no county shall become indebted in an amount exceeding in any year the income and revenue provided for such a year plus any unencumbered balances from previous years, except as otherwise provided in this constitution. Article VI, Section 26(c) of the Missouri constitution allows counties to incur debt by bond issue, but only after approval of two-thirds of the qualified electors voting thereon. In addition, Section 50.070, RSMo 2000, provides that tax anticipation notes are to be payable in one year or less from the date of issuance out of current county revenues to be derived from taxes or other revenues of the county of the year in which said notes are issued.

WE RECOMMEND the County Commission ensure the county's indebtedness is in compliance with the statutes and the constitution.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Commission indicated the passing of the law enforcement sales tax will enable the county to pay off the indebtedness of the General Revenue Fund in the next two to three years. The County Commission indicated the county needed to purchase newer equipment from the Special Road and Bridge Fund to maintain the roads and bridges. The county has purchased the equipment needed, so the indebtedness of the Special Road and Bridge Fund should be paid off in the next two to three years.

| | |
|--------------|-------------------------|
| 00-2. | County Sales Tax |
|--------------|-------------------------|

The county has not sufficiently reduced its property tax revenues by 50 percent of sales tax revenues as provided in the ballot issue passed by the Madison County voters under the provisions of Section 67.505, RSMo 2000. The county calculated a sales tax rollback but did not rollback the property tax levy due to the county's poor financial condition.

As indicated by the following calculations, the net excess property tax revenues collected as of December 31, 2000, and 1999 have increased due to the county not rolling back the property tax levy.

| | <u>Tax Year Ended December 31,</u> | |
|---|------------------------------------|----------------------|
| | 2000 | 1999 |
| ACTUAL SALES TAX REVENUES | \$ 375,676 | 357,756 |
| Required percentage of revenue reduction | X <u>50%</u> | <u>50%</u> |
| Required property tax revenue reduction | <u>187,838</u> | <u>178,878</u> |
| Assessed Valuation | 75,140,137 | 71,059,001 |
| General Revenue Fund tax levy reduction (per \$100 of assessed valuation) | X <u>0.2047</u> | <u>0.21</u> |
| Actual property tax revenue reduction | <u>153,812</u> | <u>149,224</u> |
| EXCESS PROPERTY TAX REVENUES COLLECTED | 34,026 | 29,654 |
| Excess property tax revenue collections from prior years | <u>15,242</u> | <u>(14,412)</u> |
| NET EXCESS | \$ <u><u>49,268</u></u> | <u><u>15,242</u></u> |

The county needs to roll back the property tax levy to adjust for the \$49,268 excess property taxes collected in prior years.

WE RECOMMEND the County Commission ensure appropriate adjustments are made to the levy to reflect excess property taxes collected in prior years.

AUDITEE’S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Commission indicated the county will roll back this year's property tax levy to adjust for the excess property taxes collected in prior years .

| | |
|--------------|----------------------------|
| 00-3. | Budgetary Practices |
|--------------|----------------------------|

Warrants were issued in excess of approved budgeted expenditures in the following funds during the two years ended December 31, 2000:

| Fund | Year Ended December 31, | |
|--|-------------------------|---------|
| | 2000 | 1999 |
| Special Road and Bridge Fund | \$ N/A | 126,145 |
| Assessment Fund | 25,856 | 434 |
| Law Enforcement Training Fund | 652 | 655 |
| 911 Fund | 21,447 | 9,506 |
| Prosecuting Attorney Bad Check Fund | 2,421 | 4,040 |
| Capital Improvement Fund | 11,473 | 100,348 |
| Health Center Fund | N/A | 1,724 |
| Associate Circuit Division Interest Fund | 413 | N/A |
| Flood Buy-Out Fund | 181,158 | N/A |

It was ruled in State Ex. Rel. Strong v. Cribb, 364 Mo. 1122, 273 SW2d 246 (1954), that strict compliance with the county budget law is required by county officials.

If there are valid reasons which necessitate excess expenditures, budget amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor’s Office. In addition, Section 50.622, RSMo 2000, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and that the county shall follow the same procedures required for adoption of the annual budget to amend the budget.

WE RECOMMEND the County Commission and the Health Center not authorize warrants in excess of budgeted expenditures.

AUDITEE’S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Commissioners indicated they will monitor this situation and do a better job of sending in budget amendments. The county started doing more budget amendments in 2000 but will improve on ensuring budgets are not overspent.

The Health Center Administrator indicated budgeted expenditures are compared to actual expenditures monthly and budget amendments are made quarterly as needed.

Section III - Federal Award Findings and Questioned Costs

This section includes the audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

00-4.

Highway Planning and Construction

| | |
|-----------------------|---------------------------------------|
| Federal Grantor: | U.S. Department of Transportation |
| Pass-Through Grantor: | Highway and Transportation Commission |
| Federal CFDA Number: | 20.205 |
| Program Title: | Highway Planning and Construction |
| Pass-Through Entity | |
| Identifying Number: | BRO-062(5)and BRO-062(6) |
| Award Year: | 2000 and 1999 |
| Questioned Costs: | \$27,735 |

The county contracts with the State Highway and Transportation Commission for bridge replacement and rehabilitation under the Highway Planning and Construction Program. These projects are 80 percent federally funded.

The county incurred engineering costs of \$34,669 for projects BRO-062 (5) and BRO-062 (6) during the two years ended December 31, 2000. The Presiding Commissioner indicated the engineering firm was chosen because of the county's prior experience with the firm on other projects.

Sections 8.289 and 8.291, RSMo 2000, provide that when obtaining engineering services for any capital improvement project, at least three highly qualified firms should be considered. The firms should be evaluated based on specific criteria including experience and technical competence, capacity and capability of the firm to perform the work in question, past record of performance, and the firm's proximity to and familiarity with the area in which the project is located. As a result, we have questioned costs of \$27,735 which is the federal share of the engineering costs paid during the audit period.

WE RECOMMEND the County Commission resolve the questioned costs with the grantor agency. For future projects, a statement of qualifications and performance data should be obtained from at least three engineering firms before contracting for these services.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Commission indicated statements of qualifications have already been obtained from three companies for 2001.

00-5.

Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Agriculture
Pass-Through Grantor: Office of Administration
Federal CFDA Number: 10.665
Program Title: Schools and Roads – Grants to States
Pass-Through Entity
Identifying Number: Not Applicable
Award Year: 2000 and 1999
Questioned Costs: Not Applicable

Federal Grantor: U.S. Department of Transportation
Pass-Through Grantor: Highway and Transportation Commission
Federal CFDA Number: 20.205
Program Title: Highway Planning and Construction
Pass-Through Entity
Identifying Number: BRO-062 (5)(6)
Award Year: 2000 and 1999
Questioned Costs: Not Applicable

Federal Grantor: Federal Emergency Management Agency
Pass-Through Grantor: Department of Public Safety
Federal CFDA Number: 83.548
Program Title: Hazard Mitigation Grant
Pass-Through Entity
Identifying Number: FEMA-1270-DR-MO
Award Year: 2000 and 1999
Questioned Costs: Not applicable

Federal Grantor: Federal Emergency Management Agency
Pass-Through Grantor: Department of Public Safety
Federal CFDA Number: 83.unknown
Program Title: Unmet Needs
Pass-Through Entity
Identifying Number: FEMA-1270-DR-MO
Award Year: 2000
Questioned Costs: Not applicable

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, require the auditee to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements. The county is required to submit the schedule of expenditures of federal awards to the State Auditor's Office as part of the annual budget.

The county does not have a procedure in place to adequately track federal awards for preparation of the SEFA. The county prepared a SEFA for each of the two years ended December 31, 2000. However, the information presented by the County Clerk for some of the programs did not agree with the county's expenditures records. Some programs were not included on the SEFA schedule while other programs were understated or overstated. As a result, the county over reported expenditures on their SEFA schedule by approximately \$3,000 and \$46,000, for 2000 and 1999, respectively.

Without an accurate and complete SEFA, federal financial activity may not be audited and reported in accordance with federal requirements which could result in future reductions of federal funds.

WE RECOMMEND the County Clerk prepare a complete and accurate schedule of expenditures of federal awards.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Clerk indicated she will do her best to ensure the next SEFA submitted with the budget filed in January 2002 is as accurate as possible.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

MADISON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Our prior audit report issued for the two years ended December 31, 1998, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

MADISON COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

Our prior audit report issued for the two years ended December 31, 1998, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

SECTION ON OTHER MATTERS

MADISON COUNTY, MISSOURI
LETTER ON OTHER MATTERS

We have audited the special-purpose financial statements of various funds of Madison County, Missouri, as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 11, 2001. We also have audited the compliance of Madison County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 11, 2001.

We did not audit the operations of elected officials with funds other than those presented in the special-purpose financial statements. The operations of such officials will be audited and reported on during the state auditor's next scheduled audit of the county.

This Letter on Other Matters presents matters other than the findings, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These matters resulted from our audit of the special-purpose financial statements of Madison County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*. Nevertheless, the county should consider these matters and take appropriate corrective action.

1. Financial Condition

The county's General Revenue Fund is in poor financial condition. The county relies on tax anticipation notes and other loans to maintain a positive cash flow in the General Revenue Fund. The General Revenue Fund outstanding debt of \$294,180 at December 31, 2000 is approximately 25 percent of the total General Revenue Fund receipts for 2000. In April 2001, Madison County passed a one half cent law enforcement sales tax. Even with this sales tax, the county will need to carefully monitor the General Revenue Fund to reduce debt and ensure that disbursements do not exceed receipts.

The county's Special Road and Bridge Fund is in poor financial condition. The cash balance has decreased from \$50,618 at January 1, 1999 to \$20,272 at December 31, 2000. The Special Road and Bridge Fund outstanding debt from lease purchases and bank loans of \$200,125 is approximately 28 percent of the total Special Road and Bridge receipts for 2000.

2. Lost Revenues

The County Collector does not withhold Proposition C commissions in accordance with Section 50.338.2, RSMo 2000, resulting in lost revenues for the General Revenue Fund. In response to our prior audits, the County Collector arbitrarily withheld \$13,500 from one school district; however Proposition C commissions were not withheld from the other school districts. Additional amounts are still owed from the various school districts to the General Revenue Fund. The County Collector has not computed or withheld the amount of Proposition C commissions that should have been withheld from the school districts since

1988. The County Commission indicated they would like to have this situation corrected by the next audit.

3. County Expenditures

The county did not always solicit bids nor was bid documentation always retained for various purchases. In addition, some purchases over \$4,500 were not advertised for bids as required.

The Prosecuting Attorney operates the county prosecuting attorney's office from his private law office. The county does not have a written agreement with the Prosecuting Attorney outlining what office, personnel and equipment costs will be provided by the county and what costs will be provided by the Prosecuting Attorney's private practice.

The county does not have written agreements with other political subdivisions when boarding prisoners for those political subdivisions.

The county makes payments to vendors based on statements received. We noted some vendors made refunds to the county because some amounts had been paid previously. Payments were made to vendors without requiring acknowledgment of receipt of goods or services. Payments were made to some vendors without adequate documentation to support the payment.

The county did not issue Form 1099 to applicable businesses or individuals.

4. Budgets and Financial Statements

The county did not budget emergency expenditures for the two years ended December 31, 2000. Section 50.540, RSMo 2000, requires at least 3 percent of anticipated General Revenue Fund revenues be budgeted for emergency situations.

The county's annual published financial statements did not indicate disbursements by vendor as required by Section 50.800, RSMo 2000.

5. Personnel Policies and Procedures

No centralized leave records are maintained to document vacation and sick leave and compensatory time earned, taken, and accumulated.

The county procedures and records are not adequate for preparing the Employer's Quarterly Federal Tax Return (Form 941) for withholding income and social security taxes.

In addition to her regular salary, the Prosecuting Attorney's secretary received \$22,030 during the two years ended December 31, 2000 for time spent on child support enforcement activities and for services in processing bad checks. These additional payments were not supported by time records and were not reported on the employee's W-2 form.

6. Associate Commissioner Salaries

Section 50.333.13, RSMo, enacted in 1997, allowed salary commissions meeting in 1997 to provide mid-term salary increases for associate county commissioners elected in 1996. The motivation behind this amendment was the fact that associate county commissioners' terms had been increased from two years to four years. Based on this statute, in 1999 Madison County's Associate County Commissioners' salaries were each increased \$4,624 yearly.

On May 15, 2001, the Missouri Supreme Court handed down an opinion in a case that challenged the validity of that statute. The Supreme Court held that this section of statute violated Article VII, Section 13 of the Missouri Constitution, which specifically prohibits an increase in compensation for state, county and municipal officers during the term of office. This case, *Laclede County v. Douglass et al.*, holds that all raises given pursuant to this statute section are unconstitutional.

Based on the Supreme Court decision, the raises given to each of the Associate County Commissioners, totaling \$9,248 for the two years December 31, 2000, should be repaid.

The County Commission indicated an opinion letter has been requested from their Prosecuting Attorney.

7. Vehicle Records

Vehicle logs are not maintained for county road and bridge vehicles. Vehicle logs should identify the employee the vehicle is assigned to, the date used, miles driven, destination, and purpose of the trips. Fuel and oil usage is not reconciled to fuel and oil purchased for county road and bridge vehicles and the Sheriff's Department vehicles.

8. Bank Accounts and Accounting Records

Unclaimed monies are not handled in accordance with state law. Old outstanding checks are voided and the monies remain in the fund the check was written from.

A \$589 receipt was incorrectly deposited into the General Revenue Fund bank account instead of the Flood Buy-Out Fund bank account. This error was corrected on July 16, 2001.

9. Assessment Fund

Quarterly reimbursement claims submitted to the state for reimbursement were overstated approximately \$3,000 for 2000 as fringe benefits amounts claimed were higher than expended. The County Collector does not withhold assessment monies from school tax collections for Proposition C in accordance with Section 50.338, RSMo 2000, resulting in lost revenues for the Assessment Fund. The County Collector has not computed or withheld Proposition C commissions that should have been withheld from the school districts since 1988. As a result, the General Revenue Fund has had to contribute more monies to fund the

Assessment Fund than would have been necessary had Proposition C commissions been withheld.

10. Property Tax System and Computer Controls

The County Clerk does not maintain an account book with the County Collector in accordance with Section 51.150.2, RSMo 2000, which requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. Controls over property tax additions are not adequate as the County Commission does not approve property tax additions. The county does not have program documentation prepared by the computer programmer. The County Clerk indicated she has begun maintaining an account book with the County Collector.

11. Health Center

The budgets prepared by the Health Center did not adequately reflect the Health Center's beginning and ending cash balances. Only the main checking account was included in the cash balance as the Health Center did not include other checking accounts, savings accounts, or certificates of deposits.

This Letter on Other Matters is intended for the information of the management of Madison County, Missouri, and other applicable government officials. However, this letter is a matter of public record and its distribution is not limited.